

HIGHLIGHTS

REVENUE

First total Board revenue decline since 1942-43

Board of Equalization revenues totaled \$40.48 billion in 2001-02, a decrease of 1.9 percent from the previous year's total of \$41.25 billion. Although Board revenues for the year surpassed those of 1999-00 and earlier, this marks the first fiscal year the Board has experienced a drop in total revenues since 1942-43.

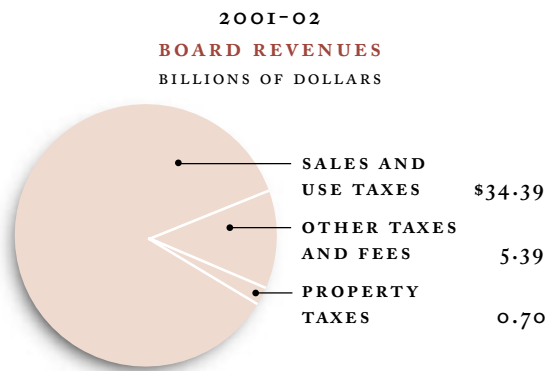
Cigarette and tobacco taxes joined sales and use taxes in revenue decline

Revenue from cigarette and tobacco product taxes totaled \$1.11 billion in 2001-02, a 4.2 percent decrease from 2000-01 revenue of \$1.16 billion. State and local sales and use taxes, which produce approximately 85 percent of all Board revenues, decreased by 2.7 percent to \$34.39 billion. Total sales and use tax revenue in 2000-01 was \$35.36 billion.

Specification

Revenues from fuel taxes and alcoholic beverage taxes increased

Revenue from the alcoholic beverage tax grew by 1.4 percent, bringing in \$292.63 million, compared to \$288.45 million in 2000-01. Fuel tax revenues increased to \$3.24 billion, a 1.6 percent gain from the previous year total of \$3.19 billion.



**TAX PROGRAM, DISTRICT,
AND RATE CHANGES**

State sales tax rate increased by one-quarter percent on January 1, 2002

On January 1, 2002, the General Fund portion of the state sales tax rate increased by 0.25 percent, to 5 percent. This raised the total state sales tax rate to 6 percent and the statewide rate to 7.25 percent. The increase was triggered when the state's General Fund reserve and General Fund revenues dropped below specified levels.

Replacement district tax goes into effect in Alameda County

The Alameda County Transportation Authority's 0.50 percent transactions and use tax expired at midnight on March 31, 2002. The 0.50 percent Alameda County Transportation Improvement Authority tax went into effect immediately afterward. The total county sales and use tax rate was not affected by the change.

New motor vehicle fuel tax began January 1, 2002

On January 1, 2002, the state's new motor vehicle fuel tax went into effect, replacing the former motor vehicle fuel license tax, as mandated by Assembly Bill 2114 (Stats. 2000, ch. 1953). For more information, see [page 36](#).

SIGNIFICANT LEGISLATION

Assessment appeal filing deadline extended

Assembly Bill 645 (Stats. 2001, ch. 238) extends the final date for filing a real property assessment appeal from September 15 to November 30 in any county where the assessor does not send value notices to taxpayers by August 1.

Legislation creates several agriculture-related sales and use tax exemptions

Assembly Bill 426 (Stats. 2001, ch. 156), negotiated as part of the final budget package for 2001-02, provides a variety of sales and use tax exemptions for the agricultural industry. For details, see [page 30](#).

TAXPAYER SERVICE

Board public agenda revised to provide more information

The *Public Agenda Notice* for Board of Equalization meetings is now available on the Internet. In addition to providing more detail on meeting topics and appellant names, it includes links to information on Board committees, public hearings, and administrative issues.

Board shares expertise with developing nations

The Board is known throughout the world for the quality of services it provides in California's highly complex legal, governmental, and social context. This year, delegations from China and Morocco visited the agency to learn more about its tax administration and taxpayer services.